

PART 302-12–USE OF A RELOCATION SERVICES COMPANY

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302-12.3(a) What changes have been made to NOAA’s relocation services and what is the name of the current contractor for these services?

- 1) Effective October 13, 2000, NOAA offers authorized transferees an optional Buyer Value Option (BVO), which begins on the first day of the transferee’s listing agreement through day 60 of the listing agreement, subject to the Federal Travel Regulation (FTR) and Department of Commerce (DOC) Travel Handbook, Chapter 302-12.
- 2) Effective October 13, 2000, NOAA offers authorized transferees, an optional voucherless **home purchase** process provided by the contractor at no additional brokerage fees to NOAA.
- 3) The name of the current contractor is **Cendant Mobility, Government Relocation Information Center, 40 Apple Ridge Road, Danbury, CT 06810, 1-877-332-7356.**

Note: NOAA will continue to offer the amended-value (over 60 days) and appraised-value (over 90 days) home sale processes (also known as the third-party relocation program) to authorized transferees, subject to the conditions as stated in DOC Travel Handbook, Chapter 302-12.5(d).

302-12.3(b) What are the telephone numbers of NOAA’s Relocation Services Coordinators (RSCs)?

<u>Transferee’s New Duty Station Serviced by:</u>	<u>Telephone Number</u>
Eastern Administrative Support Center (EASC)	(757) 441-6527
Central Administrative Support Center (CASC)	(816) 426-7543 x418
Mountain Administrative Support Center (MASC)	(303) 497-6199
Western Administrative Support Center (WASC)	(206) 526-4435
NOAA Finance Office (Wash., D.C., Metro. Area)	(301) 413-3060

Home Sale Program

302-12.3(c) What is the voucherless home sale process?

- 1) The voucherless home sale process begins with marketing assistance on day one of the listing agreement and concludes with closing of the sale of the home.
- 2) The contractor will make the transferee an offer if a bona fide buyer is not found within 90 days.
- 3) Transferees may choose their own real estate agent or choose from a list of agents provided by the contractor. With either option, the contractor will work with the transferee and real estate agent as directed by the transferee.
- 4) The voucherless home sale program includes the:

Buyer Value Option (BVO): BVO begins on the first day of the transferee's listing agreement through day 60 of the agreement. Once a bona fide buyer is found, the contractor will buy the transferee's home at the sale price agreed upon between the buyer and the transferee. The contractor will then sell the home to the buyer. The transferee does not submit a travel voucher since all closing costs are included in the invoice to NOAA from the contractor. The contractor bills NOAA at 10.99% of the value of the home.

Amended Sale: Amended sale usually follows BVO and begins when appraisals are ordered by the contractor (usually at day 60) and a bona fide buyer is found. Amended sale follows the same process as BVO. The transferee does not submit a travel voucher since all closing costs are included in the invoice to NOAA from the contractor. Under amended sale, the contractor bills NOAA at 12.85% of the value of the home which includes the costs of the appraisals.

Appraised Sale: Appraised sale begins on day 90 if a bona fide buyer is not found. The contractor will make the transferee an offer based on appraisals. The transferee has 60 days to accept or reject the contractor's offer. If the transferee accepts the offer, the contractor will buy the home from the transferee and bill NOAA at 21.85% of the appraised value of the home. The transferee does not submit a travel voucher since all closing costs are included in the invoice to NOAA from the contractor.

- 5) The fees paid to the contractor for these programs are subject to annual adjustment.

302-12.3(d) What are the benefits of the voucherless home sale process for NOAA?

- 1) Conservation of time generally spent by the transferee and travel policy advisers to prepare travel voucher claims for home sale.
- 2) Conservation of time generally spent by travel voucher auditors to process home sale claims.
- 3) Potential reduction of cost and time spent by transferees in temporary quarters.
- 4) Potential reduction of the time in which household goods are stored.
- 5) Contractor's preferential pricing for NOAA under the contract for home sales.

302-12.3(e) What are the benefits of the voucherless home sale process for transferees?

- 1) Elimination of the requirement to submit a travel voucher for closing costs associated with the sale of the home.
- 2) Receipt of the contractor's guarantee of the sale prior to closing, therefore transferees are not at risk if the sale of their home does not close. Finding a replacement buyer is the contractor's responsibility.
- 3) Offers based on the price negotiated between seller and buyer rather than on appraised value of the home if home sells within 60 days of the listing agreement.
- 4) Access to objective advice from the contractor on marketing their home, selecting a real estate agent, setting the list price, and assistance with marketing activities and negotiation assistance.
- 5) Optional selection of any real estate agent or selection of an agent from the contractor's network of brokers.
- 6) Advance receipt of 95% of their home's equity once the contract with the contractor is executed and, when their home is vacant, 100% of the equity.
- 7) Elimination of the transferee's responsibility for mortgage payments, utilities, or maintenance after their home is vacated.
- 8) Elimination of the need for the transferee to attend closing.
- 9) Elimination of the tax liability.
- 10) No fee equity loan up to 95% based on appraised value offer.

Home Purchase Program

302-12.3(f) What is the voucherless home purchase process?

The voucherless home purchase process allows the transferee to apply for a mortgage loan through Cendant Mortgage. Once the loan is approved, Cendant will pay all reimbursable closing costs on behalf of the transferee at settlement. NOAA is not charged a fee for this service.

302-12.3(g) What are the benefits of the voucherless home purchase process for NOAA ?

- 1) Conservation of time generally spent by the transferee and travel policy advisers to prepare travel voucher claims related to home purchase.
- 2) Conservation of time generally spent by travel voucher auditors to process home purchase claims.
- 3) No additional brokerage fees for NOAA.
- 4) NOAA could save money and time by reducing the need for temporary quarters and/or storage of household goods.

302-12.3(h) What are the benefits of the voucherless home purchase process for transferees?

- 1) No fee to the transferee for the advance of closing costs by the contractor.
- 2) Receipt of mortgage counseling and mortgage approval, if requested, within 48 hours of contacting the contractor.
- 3) Receipt of reimbursable closing costs from the contractor at closing.
- 4) Elimination of the requirement to submit a travel voucher for closing costs associated with the purchase of their home.
- 5) Potential ability to quickly purchase a home at the new duty station.
- 6) Early access to demographic information on every town, school, and neighborhood in the United States.

NOAA Human Resources Management Office (HRMO)/Gaining Office Responsibilities

302-12.7(a) What are the responsibilities of the NOAA HRMO or the gaining office with regard to the voucherless processes for transferees?

- 1) The servicing HRMO or gaining office should notify the appropriate RSC at the time the job offer is made or at the earliest possible time so the transferee will have early access to important information.
- 2) The servicing HRMO or the gaining office issues written notification to the transferee of their required reporting date at the new duty station accompanied by the following:
 - (i) The Permanent Change of Station (PCS) Package including information on the voucherless home sale/home purchase processes; and
 - (ii) The telephone number of the appropriate RSC at the gaining Administrative Support Center (ASC)/Finance Office to obtain optional information.
 - (iii) The telephone number for the Government Relocation Information Center help line: 1-877-332-7356.
- 3) The gaining office should obtain a signed CD-150, Request For Authorization of Travel and Moving Expenses, from the transferee, forward a copy of the CD-150 to the servicing HRMO, and promptly prepare the CD-29, Travel Order, including specific authorization for the use of contracted relocation services, and forward copies to the transferee and to the appropriate RSC.

Home Sale Responsibilities

302-12.7(b) What are the responsibilities of the RSC at the gaining ASC/Finance Office in the voucherless home sale process?

The RSC at the gaining ASC/Finance Office must follow the FTR and DOC Travel Handbook, Chapter 302-12, in addition to the instructions below.

Note: A memorandum from the Director, Office of Executive Assistance Management, DOC, dated January 4, 2000, exempts NOAA transferees from the requirement to market their home for 90 days prior to using the home sale services of a contractor.

1) BUYER VALUE OPTION (BVO)

(outside offer received between day 1-60 of the listing agreement) -
the RSC will:

- (i) Counsel the transferee on related regulations and NOAA policy, as necessary.
- (ii) Obtain a copy of the listing agreement which includes an exclusion clause, a copy of the CD-150, a copy of the completed “3rd Party Eligibility Questionnaire”, and a copy of the authorized CD-29, Travel Order, which includes specific approval for use of NOAA’s relocation services contractor. The CD-29 should not be used to obligate funds for real estate expenses. If the CD-29 obligates funds for real estate expenses, the RSC should notify the gaining office to amend the travel order to deobligate real estate expenses from object class 1214, Relocation Income Tax Allowance (RITA) from object class 1235, medicare from object class 1234, and FICA from object class 1237.
- (iii) Send transferee a PCS Package and the third-party eligibility questionnaire if HRMO has not sent the information.
- (iv) Prepare a CD-404, Supply, Equipment or Service Order, estimating the dollar amount as 10.99% of the home sale price under object class 1295 and fax it to the contractor.
- (v) Contact contractor through website to begin home sale process.
- (vi) Use the CD-404 to obligate funds for the home sale process.
- (vii) Fax a copy of the CD-404 to the gaining office.
- (viii) Amend CD-404 obligation, if necessary, when the invoice arrives.
- (ix) Certify payment to contractor.
- (x) Fax a copy of the invoice and CD-404 to the gaining office.

2) AMENDED SALE

(Outside offer received after appraisals are ordered (usually after day 60 of the listing agreement)) - the RSC will:

- (i) Amend the CD-404 estimating the dollar amount as 12.85% of the home sale price under object class 1295 and fax it to the contractor and the gaining office.
- (ii) Repeat steps in the NOAA Travel Regulation (NTR), Chapter 302-12.7(b)(1)(v)-(x) to process a possible amended sale.

3) APPRAISED SALE

(No outside offer received (over 90 days of the listing agreement) - the RSC will:

- (i) Amend the CD-404 estimating the dollar amount as 21.85% of the home sale price under object class 1295 and fax it to the contractor and the gaining office.
- (ii) Repeat steps in the NTR, Chapter 302-12.7(b)(1)(v)-(x) to process a possible appraised sale.

4) If the employee elects to drop out of the home sale program and sell their house direct sale, the RSC will:

- (i) Amend the CD-404 to deobligate home sale funds from object class 1295.
- (ii) Fax CD-404 to the contractor and the gaining office.
- (iii) Advise the gaining office to amend the CD-29, Travel Order to obligate home sale funds under object class 1214 and RITA under object class 1235.

5) **If the employee elects direct sale, and then enters the home sale program later,** the RSC will:

- (i) Counsel the transferee on related regulations and NOAA policy, as necessary.
- (ii) Advise the gaining office to issue an amendment to the travel order to deobligate real estate expenses from object class 1214, RITA from object class 1235, medicare from object class 1234, and FICA from object class 1237.
- (iii) Obtain a copy of the listing agreement which includes an exclusion clause, a copy of the CD-150, a copy of the completed “3rd Party Eligibility Questionnaire”, and a copy of the amended travel order which will include specific approval for use of NOAA’s relocation services contractor.
- (iv) Send transferee a PCS Package and the third-party eligibility questionnaire if HRMO has not sent the information.
- (v) Prepare a CD-404, Supply, Equipment or Service Order, estimating the dollar amount as either 10.99%, 12.85%, or 21.85% of the home sale price under object class 1295 depending on when the employee enters the home sale program. Fax a copy of the CD-404 to the contractor.
- (vi) Repeat steps in the NTR, Chapter 302-12.7(b)(1)(v)-(x).

NOTE: NOAA reimburses contractor using three possible percentages depending on the program: 1) BVO, 2) Amended Sale, or 3) Appraised Sale.

302-12.7(c) What are the responsibilities of the contractor in the voucherless home sale process?

- 1) After notification by NOAA, the contractor will contact the transferee within 48 hours to begin the home sale process and provide the transferee with relevant information and counseling.
- 2) When a buyer is found, the contractor will purchase the transferee's home at the negotiated sale price once the offer is determined to be bona fide and inspections are completed. The contractor will manage the details of settlement including payment of commissions. The transferee does not attend settlement.
- 3) Once the home sale contract with the contractor is executed, the transferee will receive 95% of the equity, and 100% of the equity once the house is vacated.
- 4) The contractor is responsible for mortgage payments, utilities and maintenance once the home is vacated.
- 5) The contractor will invoice NOAA in accordance with the contracted fee.
- 6) The sale is guaranteed to the transferee, therefore the transferee is not at risk if the sale does not close. Finding a replacement buyer is the contractor's responsibility.

302-12.7(d) What are the responsibilities of the transferee in the voucherless home sale process?

- 1) After receiving notification of their required report date, the transferee will **immediately** complete the Form CD-150 and forward it to the gaining office to initiate preparation of their travel order. The travel order must indicate special approval for the use of contractor relocation services. The RSC must have the following documents before the transferee can enter the home sale program: CD-150, CD-29, the listing agreement which includes an exclusion clause, and Third Party Eligibility Questionnaire (copy attached).
- 2) The transferee may select their own real estate agent or may select an agent from the contractor's network of brokers to list their home for sale.
- 3) When an offer is received from an outside buyer, the transferee and the buyer will negotiate all terms of the sale. **The transferee should not sign or initial the buyer's offer, but should forward the contract to the contractor for signature.**
- 4) Transferee will notify RSC if home does not sell within 60 days.

Home Purchase Responsibilities

302-12.7(e) What are the responsibilities of the RSC in the voucherless home purchase process?

(1) The RSC must follow the FTR, Chapter 302-12, in addition to the instructions below. **If the transferee is not using the voucherless home sale process, but has chosen to use the voucherless home purchase process,** the RSC at the gaining ASC/Finance Office will:

- (i) Counsel the transferee concerning related regulations and NOAA policy, as necessary.
- (ii) Obtain a copy of the authorized CD-29, Travel Order, which includes specific approval for use of NOAA's relocation services contractor, and a copy of the CD-150. The CD-29 should not be used to obligate funds for real estate expenses. If the CD-29 obligates funds for real estate expenses, the RSC should notify the gaining office to amend the travel order to deobligate real estate expenses from object class 1214.
- (iii) Contact contractor, through website, to begin home purchase process.
- (iv) Receive and audit contractor's invoice of reimbursable costs.
- (v) Prepare a CD-404, Supply, Equipment or Service Order obligating home purchase costs under object class 1295, and fax it to the contractor.
- (vi) Obligate funds for the home purchase process using the CD-404.
- (vii) Issue payment to the contractor.
- (viii) Fax a copy of the invoice (settlement sheet) and CD-404 to the gaining office.
- (ix) A W-2 for all taxable expenses, including home purchase expenses, will be issued at the appropriate time.

(2) **If the transferee has chosen to use both the home sale and home purchase processes offered during the initial 60 day period of the listing agreement,** the RSC will obligate both the home sale and home purchase costs under object class 1295 on the CD-404. In addition, the RSC will follow instructions in the NTR, Chapter 302-12.7(b) for home sale procedures, and will follow instructions in the NTR, Chapter 302-12.7(e) for home purchase procedures.

(3) **If the home purchase process is not obligated at the same time the home sale process is obligated**, the RSC will:

- (i) Amend the original CD-404 which shows home sale costs to obligate the additional home purchase costs under object class 1295.
- (ii) Advise the gaining office to amend the CD-29, Travel Order to deobligate real estate expenses from object class 1214. In addition, the RSC will follow instructions in the NTR, Chapter 302-12.7(b) for home sale procedures, and will follow instructions in the NTR, Chapter 302-12.7(e) for home purchase procedures.

(4) **If the employee elects to drop out of the home purchase program and purchase a home on their own**, the RSC will:

- (i) Amend the CD-404 to deobligate home purchase funds from object class 1295 and fax it to the contractor and the gaining office.
- (ii) Advise the gaining office to amend the CD-29, Travel Order to obligate real estate expenses under object class 1214.

302-12.7(f) What are the responsibilities of the contractor in the voucherless home purchase process?

The contractor will:

- 1) After notification by the RSC, contact the transferee to explain the home purchase process.
- 2) Analyze the transferee's financial position to determine a mortgage that will meet the transferee's needs.
- 3) Complete the loan application by telephone with the transferee.
- 4) Advise the transferee regarding which home purchase costs are reimbursable.
- 5) Pay the transferee's reimbursable closing costs at settlement.
- 6) Forward an itemized invoice, and a signed copy of the HUD-1 form (settlement statement) to the appropriate RSC for payment. Payment to the contractor is subject to the Prompt Payment Act.
- 7) Establish a repayment schedule with the transferee for any non-reimbursable items that were advanced to the transferee but were not reimbursed to the contractor by NOAA.

Note: NOAA is not responsible to pay the contractor for expenses that are not reimbursable according to the FTR.

302-12.7(g) What are the responsibilities of the transferee in the voucherless home purchase process?

- 1) The transferee will review and sign a loan application completed by the contractor and return the application in the prepaid return envelope.
- 2) Prior to closing, the transferee will receive information from the contractor outlining reimbursable closing costs according to the FTR. The transferee will bring the remaining funds to closing.
- 3) The transferee is obligated to repay the contractor for any non-reimbursable items advanced, but not reimbursed to the contractor by NOAA.